

SEC. 2813. PILOT PROGRAM TO PROVIDE ADDITIONAL TOOLS FOR EFFICIENT OPERATION OF MILITARY INSTALLATIONS.

(a) INITIATIVE AUTHORIZED- The Secretary of Defense may carry out a pilot program (to be known as the 'Pilot Efficient Facilities Initiative') for purposes of determining the potential for increasing the efficiency and effectiveness of the operation of military installations.

(b) DESIGNATION OF PARTICIPATING MILITARY INSTALLATIONS- (1) The Secretary of Defense may designate up to two military installations of each military department for participation in the Initiative.

(2) Before designating a military installation under paragraph (1), the Secretary shall consult with employees at the installation and communities in the vicinity of the installation regarding the Initiative.

(3) The Secretary shall transmit to Congress written notification of the designation of a military installation to participate in the Initiative not later than 30 days before taking any action to carry out the Initiative at the installation. The notification shall include a description of the steps taken by the Secretary to comply with paragraph (2).

(c) MANAGEMENT PLAN- (1) As part of the notification required under subsection (b), the Secretary of Defense shall submit a management plan for the Initiative at the military installation designated in the notification.

(2) The management plan for a designated military installation shall include a description of--

(A) each proposed lease of real or personal property located at the military installation;

(B) each proposed disposal of real or personal property located at the installation;

(C) each proposed leaseback of real or personal property leased or disposed of at the installation;

(D) each proposed conversion of services at the installation from Federal Government performance to non-Federal Government performance, including performance by contract with a State or local government or private entity or performance as consideration for the lease or disposal of property at the installation; and

(E) each other action proposed to be taken to improve mission effectiveness and reduce the cost of providing quality installation support at the installation.

(3) With respect to each proposed action described under paragraph (2), the management plan shall include--

(A) an estimate of the savings expected to be achieved as a result of the action;

(B) each regulation not required by statute that is proposed to be waived to implement the action; and

(C) each statute or regulation required by statute that is proposed to be waived to implement the action, including--

(i) an explanation of the reasons for the proposed waiver; and

(ii) a description of the action to be taken to protect the public interests served by the statute or regulation, as the case may be, in the event of the waiver.

(4) The management plan shall include measurable criteria for the evaluation of the effects of the actions taken pursuant to the Initiative at the designated military installation.

(d) **WAIVER OF STATUTORY REQUIREMENTS-** The Secretary of Defense may waive any statute, or regulation required by statute, for purposes of carrying out the Initiative only if specific authority for the waiver of such statute or regulation is provided in a law that is enacted after the date of the enactment of this Act.

(e) **INSTALLATION EFFICIENCY INITIATIVE FUND-** (1) There is established on the books of the Treasury a fund to be known as the 'Installation Efficiency Initiative Fund'.

(2) There shall be deposited in the Fund all cash rents, payments, reimbursements, proceeds, and other amounts from leases, sales, or other conveyances or transfers, joint activities, and other actions taken under the Initiative.

(3) To the extent provided in advance in authorization Acts and appropriations Acts, amounts in the Fund shall be available to the Secretary of Defense for purposes of managing capital assets and providing support services at military installations participating in the Initiative. Amounts in the Fund may be used for such purposes in addition to, or in combination with, other amounts authorized to be appropriated for such purposes. Amounts in the Fund shall be available for such purposes for five years.

(4) Subject to applicable financial management regulations, the Secretary shall structure the Fund, and provide administrative policies and procedures, in order to provide proper control of deposits in and disbursements from the Fund.

(f) **REPORT-** Not later than December 31, 2004, the Secretary of Defense shall submit to Congress a report on the Initiative. The report shall contain a description of the actions taken under the Initiative and include such other information, including recommendations, as the Secretary considers appropriate regarding the Initiative.

(g) DEFINITIONS- In this section:

(1) The term `Initiative' means the Pilot Efficient Facilities Initiative.

(2) The term `Fund' means the Installation Efficiency Initiative Fund.

(3) The term `military installation' has the meaning given such term in section 2687(e) of title 10, United States Code.

(h) TERMINATION- The authority of the Secretary of Defense to carry out the Initiative shall terminate December 31, 2005.